



Comptroller of the Currency
Administrator of National Banks

Western District Office
50 Fremont Street, Suite 3900
San Francisco, CA 94105
415-545-5900; Fax: 415-545-5925

February 17, 2000

**Conditional Approval #365
March 2000**

Brian D. Alprin, Esq.
Duane, Morris & Hechscher, LLP
1667 K Street, N.W., Suite 700
Washington, DC 20006-1608

Re: Application to charter a de novo national credit card bank,
Bank of Hawaii Credit Card, National Association, Phoenix, Arizona, and
residency waivers for a majority of the bank's directors.
OCC Control Numbers: 1999-WE-01-0016, 1999-WE-12-268

Dear Mr. Alprin:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Bank of Hawaii Credit Card, National Association, Phoenix, Arizona. On February 17, 2000, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and will be FDIC insured. In addition, our approval is subject to all other required regulatory approvals, including the State of Hawaii granting approval for Bank of Hawaii, Honolulu, Hawaii, to hold the national bank as an operating subsidiary.

This approval is subject to the condition that the bank shall provide the OCC at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the first three years of operation. This prior notice may be directed to Assistant Deputy Comptroller John Curtis at 50 Fremont Street, Suite 3900, San Francisco, California 94105.

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The condition of this approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

The OCC also granted your waiver request of the residency requirements of 12 USC 72 for the majority of the board of directors of Bank of Hawaii Credit Card, National Association. This waiver is granted based upon a review of all available information, including the bank's representation that this waiver will not affect the board's responsibility to direct the bank's operations in a safe, sound, and legal manner. Please understand that the OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

Your request that the proposed bank be designated a limited purpose institution with regard to the Community Reinvestment Act was also approved on February 17, 2000. Enclosed is a separate letter confirming this approval.

The bank proposes to raise approximately \$237,000,000 in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR § 5.20(I)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

Any significant deviations from the original operating plan, or changes in the organizing group or chief executive officer, must receive the prior written approval of the OCC. Significant deviations or changes that have not been approved may be grounds for delaying issuance of the charter or for withdrawing preliminary approval (see Significant Changes discussion in the Introduction of the "Corporate Organization" booklet).

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

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The OCC poses no objection to the following persons serving as directors and executive officers of the bank. All other executive officers are subject to the OCC's prior review and clearance.

Alton T. Kuioka Chairman, Director and Chief Executive Officer

Leilani Williams-Solomon Director, President and Chief Operations Officer

Mary P. Carryer Director

Richard J. Dahl Director

Ron J. Schmid Director

Dennis K. Isono Cashier, Chief Financial Officer

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If you have any questions concerning this preliminary conditional approval, please call me at (415)-545-5921.

Very truly yours,

/s/

James A. Bundy
Licensing Manager
Western District

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements
Limited Purpose Designation Approval Letter